

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

### Quarter III/2017

#### I. General information

**1. Structure of ownership:** State Capital Investment Corporation – SCIC: 40.36%, Swiss Re Group: 25%, other shareholders: 34.64%

**2. Operating industry:** Insurance

**3. Lines of business:** Inward and outward reinsurance and financial investment.

**4. Total number of subsidiaries: 01**

Total number of consolidated subsidiaries: 01

+ Company name: VINARE Invest Joint Stock Company

+ Address: 6<sup>th</sup> Floor, VINARE building, 141 Le Duan - Hoan Kiem - Ha Noi.

+ Parent company's equity ownership: 63.88%

+ Voting rights of parent company: 60%

**5. Joint venture is reflected in consolidated financial statements according to method of owner's equity**

Total number of joint ventures: 01

+ Company name: Samsung Vina Joint-Venture Insurance Company

+ Head office address: 45<sup>th</sup> Floor, Bitexco Financial Tower, No 2 Hai Trieu Street, District 1, Ho Chi Minh City

+ Equity ownership: 25%

+ Voting rights: 25%

#### II. Accounting period and accounting currency

##### 1. Accounting period:

Parent company: Begins on 01 January 2017 and ends on 31 December 2017

Subsidiary: Begins on 01 January 2017 and ends on 31 December 2017

Joint venture: Begins on 01 January 2017 and ends on 31 December 2017

**2. Accounting currency:** Vietnam Dong

#### III. Accounting standards and system

**1. Accounting system:** Circular No. 232/2012/TT-BTC dated 28<sup>th</sup> December 2012 of the Ministry of Finance guided the accounting system applied for insurance enterprises. Circular No. 200/2014/QD-BTC dated 22<sup>nd</sup> December 2014 of the Ministry of Finance provided guidance on accounting system for enterprises and Circular No. 202/2014/TT-BTC dated 22 December 2014 provided guidance on preparing and presentation of consolidated financial statements.

##### 2. Statement on compliance with accounting standards and accounting system:

The Board of Directors ensures that the company's Financial Statements comply with Vietnamese accounting standards and the Vietnamese accounting system applicable to insurance enterprises and other prevailing accounting regulation in Vietnam.

**3. Accounting form:** Receipts recorded to books.

#### IV. Accounting policies

The Board of Directors ensures that the company's half-yearly financial statements and the latest yearly financial statements apply the same accounting policies.

Consolidated financial statements are prepared based on accounting policies applied uniformly for similar transactions and events in similar circumstances between parent company and subsidiary.

### ***1. Cash and cash equivalents:***

- **Cash and cash equivalents comprise:** cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
  
- **Foreign currencies:**
  - The Corporation applies an accounting exchange rate of 22,500 VND/USD in the year (for the year ended 31 December 2016: 22,500 VND/USD) to transactions arising in foreign currencies during the year. Such transactions are initially translated into VND using the accounting exchange rate and then using the actual rate applicable on the payment date. Such exchange differences are recorded in the income statement.
  - Liabilities and receivables relating to recognition of revenues and expenses from reinsurance for the year denominated in USD: At the balance sheet date, balances of receivables are translated using the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)'s buying exchange rate of 22,690 VND/USD (as at 30 September 2017: 22,690 VND/USD), balances of payables are translated using the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)'s selling exchange rate of 22,760 VND/USD (as at 30 September 2017: 22,760 VND/USD)
  - Liabilities and receivables relating to recognition of revenues and expenses from reinsurance for the year denominated in currencies other than USD at the balance sheet date are translated into USD at the accounting Exchange rate as follow: At the balance sheet date, balances of receivables are translated using the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)'s buying exchange rate of 22,690 VND/USD (as at 30 September 2017: 22,690 VND/USD), balances of payables are translated using the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)'s selling exchange rate of 22,760 VND/USD (as at 30 September 2017: 22,760 VND/USD)
  - With regard to monetary assets, receivables and liabilities denominated in foreign currencies that are not related to recognition of revenue and expense for the year, the Corporation applies the method of recording foreign exchange differences in accordance with Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates" issued by the Ministry of Finance providing guidance on recognition measurement and treatment of foreign exchanges differences in enterprises. Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement. Exchange differences from revaluation of balances of monetary assets, liabilities, receivables denominated in foreign currencies as at the balance sheet date are not used for dividend payment.

### ***2. Fixed assets and depreciation***

## Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Tangible fixed assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building, structures	25
Motor vehicles	6
Office equipment	4
Other fixed assets	4 – 5

## Intangible fixed assets and depreciation

Intangible fixed assets are stated at cost less accumulated depreciation. The costs of purchased intangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Intangible fixed asset of the Corporation is computer software, and is depreciated using the straight-line method over the estimated useful lives. Duration of depreciation is: 5 years.

### 3. Balance of cash and financial investment:

<b>3.1 Cash and cash equivalents</b>	<u>30/09/2017</u>	<u>1/1/2017</u>
Cash on hand	2,641,402,193	2,168,042,373
Bank deposits	120,424,268,794	68,661,515,754
Cash equivalents		4,200,000,000
<b>Total</b>	<b><u>123,065,670,987</u></b>	<b><u>75,029,558,127</u></b>

<b>3.2 Short-term financial investments</b>	<u>30/09/2017</u>	<u>1/1/2017</u>
Bank deposits under one year	2,204,700,000,000	2,026,985,915,000
Short-term bonds	10,000,000,000	
Stocks (short-term)	369,710,848	19,154,237,103
Provision for diminution in value of short-term in	(143,828,848)	(325,057,978)
<b>Total</b>	<b><u>2,214,925,882,000</u></b>	<b><u>2,045,815,094,125</u></b>

### 3.3 Long-term financial investments

	<u>30/09/2017</u>	<u>1/1/2017</u>
	VND	VND
<b>Investments in subsidiaries ( a )</b>	<b>219,581,240,829</b>	<b>202,802,787,058</b>
<b>Other long-term investments</b>	<b>912,243,304,755</b>	<b>1,040,980,809,834</b>
+ Equity investments ( b )	476,140,070,000	476,140,070,000
+ Long-term bonds	160,000,000,000	170,000,000,000
+ Long-term deposits	65,000,000,000	185,000,000,000
+ Entrusted investment ( c )	206,480,408,261	207,371,816,174
+ Other long-term investments ( d )	6,321,206,063	6,321,206,063
+ Provision for diminution in value of long-term investm	(1,698,379,569)	(3,852,282,403)
<b>Total</b>	<b><u>1,131,824,545,584</u></b>	<b><u>1,243,783,596,892</u></b>

*(a) Investment in joint venture:* is the equity investment in Samsung Vina Insurance Company (SVI) with the amount of VND125,000,000,000 as at 30<sup>th</sup> September 2017 representing a stake of 25% in the joint venture.

<b>SVI's equity</b>	<b><u>30/09/2017</u></b>	<b><u>1/1/2017</u></b>
Charter capital	500,000,000,000	500,000,000,000
Funds	48,647,259,812	43,169,361,731
Retained earnings	329,677,703,505	268,041,786,500
<b>Total</b>	<b><u>878,324,963,317</u></b>	<b><u>811,211,148,231</u></b>
<b>VINARE's ownership in joint venture</b>		
- Ratio of 25%	<u>219,581,240,829</u>	<u>202,802,787,058</u>
<b>Total</b>	<b><u>219,581,240,829</u></b>	<b><u>202,802,787,058</u></b>

(b) Equity investment	wnership	<u>30/09/2017</u>	<u>30/09/2017</u>	<u>1/1/2017</u>
		Shares	VND	VND
Petrolimex Joint Stock Insurance	8.76%	6,237,328	59,289,270,000	59,289,270,000
PTI Insurance Company	4.42%	3,556,224	38,416,000,000	38,416,000,000
Saigon - Halong Hotel	6.00%	1,109,980	10,139,800,000	10,139,800,000
Global Insurance Company	4.40%	1,760,000	17,600,000,000	17,600,000,000
Phu Hung Insurance Company	2.26%	800,000	8,000,000,000	8,000,000,000
Agriculture Bank Insurance Join	8.42%	3,200,000	32,000,000,000	32,000,000,000
Dai Nam Securities Joint Stock C	1.68%	269,500	2,695,000,000	2,695,000,000
Hung Vuong Insurance Compan	10.00%	3,000,000	30,000,000,000	30,000,000,000
Tien Phong Commercial Joint St	5.47%	30,000,000	278,000,000,000	278,000,000,000
			<b><u>476,140,070,000</u></b>	<b><u>476,140,070,000</u></b>

**Additional information of bonus shares as at 30/09/2017 were as follows:**

NO	Stock name	Stock code	Number of shares
1	Petrolimex Joint Stock Insurance Company	PGI	353,056
2	Post-Telecommunication Joint Stock Insurance Company	PTI	381,024
3	Tien Phong Commercial Joint Stock Bank		2,542,857
4	Sai Gon - Ha Long Hotel Tourist Joint Stock Company		96,000

c) **Entrusted investment:** are funds entrusted to Vietcombank Fund Management Company, Bao Viet Fund Management Company and SSI Fund Management Company.

d) **Other long-term investments:** are the investment to purchase certificates of Bao Viet Equity Dynamic Open Ended Fund, Bao Viet Prospect Equity Open Ended Fund and investment from the welfare fund of Corporation.

e) **Provision for diminution in value of long-term investments:** are the provisions for the impairment in equity investments in VinareInvest, Phu Hung Insurance Company and Dai Nam Securities.

**4. Principles and methods of making under-writing reserves:**

- a. **Underwriting reserves:** On 19 April 2012, the Ministry of Finance issued Official Letter No. 5297/BTC-QLBH on the registration of the method to make reserves for insurance transactions of the Corporation since 2012. Accordingly, underwriting reserves of the Corporation in the year are made as follows:

**Premium reserve:** This reserve is provided for at 25% of the premium retained for the quarter over all types of cargo insurance (by land, seaway, waterway, railway and airway) and at 50% for other types.

**Claim reserves:**

- The Corporation applies a claim estimation method based on the nature of each case when claim reserve is insured for losses reported or claimed but remained unsettled at fiscal quarter-end.
- For losses that have incurred but have not been reported (IBNR), the Corporation applies 5% of the premium retained over all types of insurance.

**Catastrophe reserve:** This reserve is made annually under statistical method (at a rate of 3% of retention rate of all transactions) until it reaches 100% of premium retained in the year in accordance with Decree No. 46/2007/ND-CP dated 27 March 2007 issued by the Government.

Corporation is not allowed to compensate reserves for inward reinsurance activities and outward reinsurance activities. These reserves should be presented under separate items in the balance sheet. Accordingly, unearned premium reserve, claim reserve for inward reinsurance and catastrophe reserve are recognized as payables while unearned premium reserve for outward reinsurance and claim reserve for outward reinsurance are recognized as reinsurance assets.

**\* Underwriting reserve situation:**

- *Situation of premium reserve, claim reserve for inward reinsurance, catastrophe reserve*

Criteria	Beginning of quarter	Increase	Decrease	End of quarter
<b>Normal reinsurance activities</b>	<b>2,541,834,175,012</b>	<b>15,327,207,393</b>	<b>66,791,272,621</b>	<b>2,490,370,109,784</b>
+ Inward unearned premium reserve	789,464,591,202	97,355,942		789,561,947,144
+ Inward claim reserve	1,569,647,935,058		66,791,272,621	1,502,856,662,437
+ Catastrophe reserve	182,721,648,752	15,229,851,451		197,951,500,203
<b>Pilot Agriculture insurance activities</b>	<b>22,013,529,506</b>	<b>-</b>	<b>4,415,933,039</b>	<b>17,597,596,467</b>
+ Inward unearned premium reserve	-		132,993,311	(132,993,311)
+ Inward claim reserve	13,136,846,340		4,272,259,937	8,864,586,403
+ Catastrophe reserve	8,876,683,166		10,679,791	8,866,003,375
<b>TOTAL</b>	<b>2,563,847,704,518</b>	<b>15,327,207,393</b>	<b>71,207,205,660</b>	<b>2,507,967,706,251</b>

- *Situation of premium reserve, claim reserve for outward reinsurance*

Criteria	Beginning of quarter	Increase	Decrease	End of quarter
<b>Normal reinsurance activities</b>	<b>1,712,224,220,499</b>	<b>9,060,132,783</b>	<b>82,178,003,958</b>	<b>1,639,106,349,324</b>
+ Retroceded premium reserve	538,028,932,731	9,060,132,783		547,089,065,514
+ Outward claim reserve	1,174,195,287,768		82,178,003,958	1,092,017,283,810
<b>Pilot Agriculture insurance activities</b>	<b>11,877,324,687</b>	<b>-</b>	<b>3,936,182,950</b>	<b>7,941,141,737</b>
+ Retroceded premium reserve	-		79,594,355	(79,594,355)
+ Outward claim reserve	11,877,324,687		3,856,588,595	8,020,736,092
<b>TOTAL</b>	<b>1,724,101,545,186</b>	<b>9,060,132,783</b>	<b>86,114,186,908</b>	<b>1,647,047,491,061</b>

Making underwriting reserve is in accordance with methods of making reserve registered and approved by the Ministry of Finance in official document no 5297/BTC-QLBH dated 19 April 2012. Following the Circular No 232/2012 regulating on accounting regime for insurance enterprises effective since 1 January 2014, the allocation of technical reserve is re-presented as follows:

- ***Inward unearned premium reserve, retroceded premium reserve:*** these reserves are provided for at 25% of cargo insurance and 50% for other lines of business.
- ***Claim reserve:*** re-presented according to Circular 232/2012 for inward and outward claims criteria based on the nature of each case.

**b. Provision for diminution in value of securities investment:**

According to Circular No 228/2009/TT-BTC of Ministry of Finance issued on 7 December 2009, Corporation is allowed to make provision for investments in freely traded securities with book value higher than market value at the end of accounting period.

**c. Accounts receivable and provision for doubtful debts**

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

The calculation of provision for doubtful debts is as follows:

With regard to customers with total reinsurance-related receivables balance less than total reinsurance-related payables balance, no provision should be made. In the contrary case, the Corporation will offset the insurance-related payables balance with the insurance-related receivables balance based on the principle of offsetting the ones that have been overdue for the longest time to the shortest time. The outstanding balance by client after offset, according to Circular No. 228/2009/TT-BTC dated 07 December 2009 of the Ministry of Finance, will be subject to provision for doubtful debts on the following basis:

- No provision is made for accounts receivable (the balance after offsetting) overdue for less than 6 months;
- For accounts receivable (the balance after offsetting) over due from 06 to less than 12 months, the provision is made at the rate of 30%;
- For accounts receivable (the balance after offsetting) over due from 12 to less than 24 months, the provision is made at the rate of 50%;
- For accounts receivable (the balance after offsetting) over due from 24 to less than 36 months, the provision is made at the rate of 70%;
- For accounts receivable (the balance after offsetting) over due from 36 months, the provision is made at the rate of 100%.

#### **d. Provision for severance allowance**

This provision is made according to regulations in Article 48 of the Labour Code No. 10/2012/QH13 dated 18 June 2012 and internal regulations of the Corporation.

### **5. Recognition of equity capital:**

#### **a. Parent company**

Owners' equity: is the paid-up capital of the shareholders, which is monitored by each shareholder;

Share premium: the amount of money received from the share issuance in 2007 which is larger than the value of shares issued plus the costs of the issuance;

Retained profit: is the profit retained after allocating to various funds and dividend payment.

#### **b. Subsidiary**

Owners' equity: is the paid-up capital of shareholders. Charter capital as at 31/12/2017 of Vinare Invest was: VND93,919,000,000. The number of shares that shareholders have registered to purchase but have not implemented the capital contribution will be handled according to decisions of the BOD.

#### **c. Joint-venture company**

Owners' equity: is the paid-up capital of joint-venture parties. Charter capital as at 30 June 2017 of Samsung-Vina Insurance Company was VND500,000,000,000.

### **6. Revenue recognition:**

Reinsurance inward revenue is recognised following the statement of accounts agreed by the Corporation and the re-insurers. Reinsurance outward revenue is recognised when the Corporation receives an acceptance statement of the re-insurer following the respective reinsurance notices issued by the Corporation. Such recognition is in conformity with regulations of financial regime applicable to insurance enterprises.

Income from stock investments is recognised upon a notification of profit-sharing released by the investee.

Interest income from deposits, public bonds, bank debentures, Government bonds, and loans is recognised when incurred.

Income from office leasing is recognised when incurred.

## **7. Taxation:**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income that are not taxable or expense that are deductible in calculation of taxable income.

Deferred corporate income tax is recognized for all temporary differences and deferred corporate income tax asset is only recognized when it is certain that there is sufficient profit for calculation of tax in the future to deduct the temporary differences

Calculation of tax duties of Corporation is based on current taxation regulations. However, these regulations change over period of time and the final calculation of corporate income tax depends on the test result of relevant tax authorities.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

## **V. Other information**

1. According to Decision No. 315/QD-TTg, pilot agricultural insurance activities ended on 31 December 2013. The Corporation has been conducting procedures to finalize this activity with the Ministry of Finance. The final decision on the results of the Corporation's pilot agricultural insurance activities will depend on the approval of the Ministry of Finance.

2. In July 7th 2014, the Government issued Decree No. 67/2014/ND-CP on some fisheries development policies, including regulations on insurance policy for offshore fishing boats. The Corporation undertakes this type of insurance, along with the local insurance companies, to support the market and implement the targets, policies of Government.

On August 20th 2014, the Ministry of Finance has issued Circular No. 116/2014/TT-BTC providing guidance on several financial issues to insurance activities as stipulated in Decree No. 67/2014/ND-CP on fisheries development policies. According to provisions under Circular No. 116/2014/TT-BTC, business results of offshore fishing boat insurance shall be included in the insurer's results. The insurance enterprise shall hold responsibility to separately monitor revenues, expenses, business results of this insurance type. Profit from insurance activities (if any) shall be recorded to catastrophe reserves at the financial year end.

3. As mentioned in the part "Recognition of equity capital": As at 30 September 2017, the paid-up capital was VND93,919,000,000. The number of shares that shareholders have registered to purchase but have not implemented the capital contribution will be handled according to decisions of the BOM. Interests of shareholders will be calculated based on the ratio of capital contribution as at 30 September 2017 (In which: Interest of parent company is 63.88%, interest of minority shareholders is: 36.12%).

### 3. Equity

	Operating capital	Share premium	Investment and development fund	Compulsory reserve fund	Retained earnings	Total
<b>As at 01/01/2016</b>	<b>1,310,759,370,000</b>	<b>566,368,537,309</b>	<b>191,870,712,711</b>	<b>103,484,887,493</b>	<b>450,515,403,971</b>	<b>2,622,998,911,484</b>
Profit for the period					239,776,750,523	239,776,750,523
Profit distribution to funds			4,377,143,293	10,942,858,232	(22,118,004,532)	(6,798,003,007)
Dividends declared					(131,075,937,000)	(131,075,937,000)
<b>As at 01/01/2017</b>	<b>1,310,759,370,000</b>	<b>566,368,537,309</b>	<b>196,247,856,004</b>	<b>114,427,745,725</b>	<b>537,098,212,962</b>	<b>2,724,901,722,000</b>
Profit for the period					210,807,757,265	210,807,757,265
Profit distribution to funds			3,870,987,066	9,677,467,665	(19,544,192,509)	(5,995,737,778)
Dividends declared(*)					(157,291,124,400)	(157,291,124,400)
<b>As at 30/09/2017</b>	<b>1,310,759,370,000</b>	<b>566,368,537,309</b>	<b>200,118,843,070</b>	<b>124,105,213,390</b>	<b>571,070,653,318</b>	<b>2,772,422,617,087</b>

Notes: - (\*) According to Decision No 07/2017/QD-HDQT dated April 26th 2017 of the General Meeting of Shareholders, the Corporation has made dividend payment in 2016 (12%) with the amount of VND 157,291,124,400.

#### 4. Income and business results:

##### a/ Consolidated income statements (including pilot agriculture insurance)

NO	Criteria	Quarter 3/2017 (VND)	Quarter 3/2016 (VND)
1	Premium from reinsurance inward	285,776,689,591	318,680,330,097
2	Income from real estate investments	0	0
3	Net income from financial activities	94,748,596,480	65,377,185,076
4	Other incomes	3,608,933,838	3,691,368,443
5	Total incomes for insurance activities	246,787,396,079	287,677,874,623
6	Capital value of real estate investments	0	0
7	Expenses for financial activities	22,842,480,969	7,541,217,118
8	Administration expenses	21,375,048,422	24,710,714,796
9	Other expenses	623,743,691	649,900,891
10	Profit (Loss) from pilot agriculture insurance activities	(110,165,329)	(117,436,695)
11	Results of offshore fishing boat insurance	1,944,433,019	
12	Share of net profits of joint ventures	9,910,950,026	7,697,910,379
13	Accounting profit before tax (13=1+2+3+4-5-6-7-8-9+10+11-12)	100,361,902,426	74,749,649,872
14	Corporate income tax payable	17,291,383,081	12,514,312,314
15	Deferred corporate income tax	529,498	5,144,216
16	Net profit after corporate income tax (16=13-14-15)	83,069,989,847	62,230,193,342

##### b/ Consolidated income statements (excluding pilot agriculture insurance)

NO	Criteria	Quarter 3/2017 (VND)	Quarter 3/2016 (VND)
1	Income from reinsurance business	285,776,689,591	318,680,330,097
2	Income from real estate investments	0	0
3	Net income from financial activities	94,748,596,480	65,377,185,076
4	Other incomes	3,608,933,838	3,691,368,443
5	Total expenses for insurance activities	246,787,396,079	287,677,874,623
6	Capital value of real estate investments	0	0
7	Expenses for financial activities	22,842,480,969	7,541,217,118
8	Administration expenses	21,375,048,422	24,710,714,796
9	Other expenses	623,743,691	649,900,891
10	Results of offshore fishing boat insurance	1,944,433,019	
11	Share of net profits of joint ventures	9,910,950,026	7,697,910,379
12	Accounting profit before tax (12=1+2+3+4-5-6-7-8-9-10+11)	100,472,067,755	74,867,086,567

##### c/ Results of pilot agriculture insurance

NO	Criteria	Quarter 3/2017 (VND)	Quarter 3/2016 (VND)
1	Income from pilot agriculture insurance		
2	Deductions		
3	Net income from pilot agriculture insurance activities ( 3=1-2)	0	0
4	Direct expenses for pilot agriculture insurance	110,165,329	117,436,695
5	Gross profit from pilot agriculture insurance ( 5= 3-4)	(110,165,329)	(117,436,695)
6	Administration expenses		
7	Net profit from pilot agriculture insurance (7=5-6)*	(110,165,329)	(117,436,695)

(\*) To handle according to guidance in Circular No 101/2012/TT-BTC dated June 20<sup>th</sup> 2012 of the Ministry of Finance.

Preparer

Chief Accountant

19<sup>th</sup> October, 2017  
Chief Executive Officer

Nguyen Thanh Cong

Luu Thi Viet Hoa

Pham Cong Tu

## BH - CONSOLIDATED BALANCE SHEET

As at 30 September 2017

Unit: VND

Items	Codes	Notes	Closing balance	Opening balance
<b>ASSETS</b>				
<b>A- CURRENT ASSETS (100=110+120+130+140+150+190)</b>	<b>100</b>		<b>5,457,007,566,005</b>	<b>4,974,630,577,596</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>IV.3.1</b>	<b>123,065,670,987</b>	<b>75,029,558,127</b>
1. Cash on hand	111		123,065,670,987	70,829,558,127
2. Cash equivalents	112		-	4,200,000,000
<b>II. Short-term financial investments</b>	<b>120</b>	<b>IV.3.2</b>	<b>2,214,925,882,000</b>	<b>2,045,815,094,125</b>
1. Investment in Securities	121		369,710,848	19,154,237,103
2. Provisions for impairment of securities	122		(143,828,848)	(325,057,978)
3. Investments hold until due date	123		2,214,700,000,000	2,026,985,915,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>1,303,704,411,114</b>	<b>961,571,460,468</b>
1. Trade accounts receivable	131		1,346,310,992,837	1,017,813,026,176
1.1. Receivables from insurance contracts	131.1		907,246,693,322	671,608,358,009
1.2. Other receivables	131.2		439,064,299,515	346,204,668,167
2. Advances to suppliers	132		209,813,801	-
3. Other short-term receivables	136		11,272,024,544	342,986,056
4. Provision for doubtful debts	137		(54,088,420,068)	(56,584,551,764)
<b>IV. Inventories</b>	<b>140</b>		<b>48,288,631</b>	<b>53,899,538</b>
1. Inventories	141		48,288,631	53,899,538
<b>V. Other short-term assets</b>	<b>150</b>		<b>168,215,822,212</b>	<b>168,059,020,152</b>
<b>1. Short-term prepaid expenses</b>	<b>151</b>		<b>167,308,852,074</b>	<b>167,284,562,994</b>
Unallocated commission expenses	151.1		161,673,048,374	162,868,724,418
Other short-term prepaid expenses	151.2		5,635,803,700	4,415,838,576
2. VAT deductibles	152		906,970,138	774,457,158
<b>VI. Reinsurance assets</b>	<b>190</b>	<b>IV.4</b>	<b>1,647,047,491,061</b>	<b>1,724,101,545,186</b>
1. Retroceded premium reserve	191		547,009,471,159	538,028,932,731
2. Outward claim reserve	192		1,100,038,019,902	1,186,072,612,455
<b>B. FIXED ASSETS (200=210+220+230+240+250+260)</b>	<b>200</b>		<b>1,256,251,690,159</b>	<b>1,375,719,859,874</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>22,000,000,000</b>	<b>22,000,000,000</b>
1. Other long-term receivables	216		22,000,000,000	22,000,000,000
1.1. Insurance deposit	216.1		22,000,000,000	22,000,000,000
<b>II. Fixed assets</b>	<b>220</b>		<b>9,655,286,076</b>	<b>16,033,364,231</b>
1. Tangible fixed assets	221		5,474,805,969	6,495,512,172
- Cost	222		25,150,907,036	25,150,907,036
- Accumulated depreciation	223		(19,676,101,067)	(18,655,394,864)
2. Intangible fixed assets	227		4,180,480,107	9,537,852,059
- Cost	228		32,434,195,934	32,434,195,934
- Accumulated amortisation	229		(28,253,715,827)	(22,896,343,875)
<b>III. Investment in real estates</b>	<b>230</b>		<b>11,337,692,176</b>	<b>12,400,600,817</b>
- Cost	231		34,055,061,893	34,055,061,893
- Accumulated depreciation	232		(22,717,369,717)	(21,654,461,076)
<b>IV. Long-term assets in progress</b>	<b>240</b>		<b>13,558,937,466</b>	<b>13,558,937,466</b>
1. Construction in progress	242		13,558,937,466	13,558,937,466
<b>IV. Long-term financial investments</b>	<b>250</b>	<b>IV.3.3</b>	<b>1,131,824,548,584</b>	<b>1,243,783,596,892</b>
2. Investment in joint ventures	252		219,581,240,829	202,802,787,058
3. Other long-term investments	253		476,140,070,000	476,140,070,000
4. Provision for diminution in value of long-term financial invest	254		(1,698,376,569)	(3,852,282,403)
5. Investment hold until due date	255		437,801,614,324	568,693,022,237
<b>V. Other long-term assets</b>	<b>260</b>		<b>67,875,225,857</b>	<b>67,943,360,468</b>
1. Long-term prepayments	261		1,200,788,027	1,274,232,265
2. Deferred tax assets	262		419,231,619	413,921,992
3. Other long-term assets	268		66,255,206,211	66,255,206,211
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>6,713,259,256,164</b>	<b>6,350,350,437,470</b>

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>A. LIABILITIES (300=310+330)</b>	<b>300</b>		<b>3,910,916,745,538</b>	<b>3,595,005,021,683</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>3,905,603,764,766</b>	<b>3,589,718,589,047</b>
1. Trade accounts payable	311		1,220,564,833,446	865,492,353,438
1.1. Payables to insurance contracts	311.1		874,760,250,834	607,989,414,980
1.2. Other trade accounts payable	311.2		345,804,582,612	257,502,938,458
2. Advances from customers	312		592,431,559	2,014,397,619
3. Taxes and amounts payable to the State budget	313		17,864,352,643	9,054,718,644
4. Payables to employees	314		22,683,348,702	16,045,137,270
5. Other current payables	319		5,902,768,390	5,981,538,353
6. Unearned commissions	319.1		113,221,773,521	112,089,806,982
7. Provision for short-term payables	321	<b>IV.4</b>	470,891,504	-
8. Bonus and welfare funds	322		16,335,658,750	15,192,932,223
9. Underwriting reserves	329		2,507,967,706,251	2,563,847,704,518
9.1. Premium reserve	329.1		789,428,953,833	789,464,591,202
9.2. Claim reserve	329.2		1,511,721,248,840	1,582,784,781,398
9.3. Catastrophe reserve	329.3		206,817,503,578	191,598,331,918
<b>II. Long-term liabilities</b>	<b>330</b>		<b>5,312,980,772</b>	<b>5,286,432,636</b>
1. Other long-term liabilities	337		3,216,822,676	3,216,822,676
2. Provision for long-term liabilities	342		2,096,158,096	2,069,609,960
<b>B.EQUITY (400=400)</b>	<b>400</b>	<b>V.4</b>	<b>2,802,342,510,626</b>	<b>2,755,345,415,787</b>
<b>I. Owners' equity</b>	<b>410</b>		<b>2,802,342,510,626</b>	<b>2,755,345,415,787</b>
1. Owners' contributed capital	411		1,310,759,370,000	1,310,759,370,000
Ordinary shares carrying voting rights	411a		1,310,759,370,000	1,310,759,370,000
2. Share premium	412		566,368,537,309	566,368,537,309
3. Investment and development funds	418		200,118,843,070	196,247,856,004
4. Compulsory reserve fund	419		124,105,213,390	114,427,745,725
5. Retained earnings	421		571,070,653,318	537,098,212,962
- Retained earnings accumulated to the previous period	421a		379,807,088,562	319,439,466,971
- Retained earnings of this period	421b		191,263,564,756	217,658,745,991
6. Non-controlling interests	429		29,919,893,539	30,443,693,787
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>6,713,259,256,164</b>	<b>6,350,350,437,470</b>

Note: Form B01- DNPNT was an attachment of Circular 155/2015/TT-BTC dated 06/10/2015 of the Ministry of Finance amending and supplementing in compliance with regulations in Circular 200/2014/TT-BTC dated 22 December 2014 of Ministry of Finance on guiding Corporate Accounting Scheme

Ha Noi, 19 October 2017

Preparer

Chief Accountant

Chief Executive Officer

Nguyen Thanh Cong

Luu Thi Viet Hoa

Pham Cong Tu

**BH - CONSOLIDATED INCOME STATEMENT**

From 01/01/2017 to 30/09/2017

Unit: VND

ITEMS	Code s	Note s	Quarter 3		From 01/01/2017 to 30/09/2017	
			2017	2016	2017	2016
<b>1. Premium revenue (01=01.1+01.2-01.3)</b>	<b>01</b>		<b>396,963,186,792</b>	<b>430,496,717,283</b>	<b>1,232,750,139,659</b>	<b>1,269,630,160,474</b>
In which:						
- Phí bảo hiểm gốc	01.1		-	-	-	-
- Gross written premium	01.2		383,437,611,581	468,715,048,023	1,232,847,495,601	1,355,903,461,990
- Increase (decrease) in inward unearned premium reserve	01.3		(13,525,575,211)	38,218,330,740	97,355,942	86,273,301,516
<b>2. Retroceded premium (02=02.1-02.2)</b>	<b>02</b>		<b>268,158,275,566</b>	<b>291,609,021,078</b>	<b>826,831,902,392</b>	<b>828,337,552,837</b>
In which:						
- Gross retroceded premium reserve	02.1		264,411,398,394	333,232,169,310	835,892,035,175	907,763,258,352
	02.2		(3,746,877,172)	41,623,148,232	9,060,132,783	79,425,705,515
<b>3. Net premium income (03=01-02)</b>	<b>03</b>		<b>128,804,911,226</b>	<b>138,887,696,205</b>	<b>405,918,237,267</b>	<b>441,292,607,637</b>
<b>4. Commission and other income from reinsurance activities (04=04.1+04.2)</b>	<b>04</b>		<b>156,971,778,365</b>	<b>179,792,633,892</b>	<b>374,382,173,133</b>	<b>383,216,489,204</b>
In which:						
- Commission from reinsurance outward	04.1		52,389,910,782	56,270,920,572	171,537,839,364	173,995,186,440
- Other receipts from insurance business	04.2		104,581,867,583	123,521,713,320	202,844,333,769	209,221,302,764
<b>5. Net income from insurance business (10=03+04)</b>	<b>10</b>		<b>285,776,689,591</b>	<b>318,680,330,097</b>	<b>780,300,410,400</b>	<b>824,509,096,841</b>
<b>(11=11.1-11.2)</b>	<b>11</b>		<b>215,320,368,362</b>	<b>189,811,346,601</b>	<b>698,290,362,090</b>	<b>825,962,536,639</b>
In which:						
- Total claims paid	11.1		215,320,368,362	189,811,346,601	698,290,362,090	825,962,536,639
<b>7. Recoverables from outward reinsurance</b>	<b>12</b>		<b>165,841,520,605</b>	<b>144,787,133,203</b>	<b>520,694,948,879</b>	<b>612,271,281,982</b>
<b>8. Increase (decrease) in inward claim reserve</b>	<b>13</b>		<b>(38,312,608,661)</b>	<b>(60,574,086,403)</b>	<b>(66,791,272,621)</b>	<b>(185,619,502,652)</b>
<b>9. Increase (decrease) in outward claim reserve</b>	<b>14</b>		<b>(48,186,121,776)</b>	<b>(93,035,825,188)</b>	<b>(82,178,003,958)</b>	<b>(198,578,615,974)</b>
<b>10. Total claims incurred (15=11-12+13-14)</b>	<b>15</b>		<b>59,352,360,872</b>	<b>77,485,952,183</b>	<b>192,982,144,548</b>	<b>226,650,367,979</b>
<b>11. Increase (decrease) in catastrophe reserve</b>	<b>16</b>		<b>3,570,786,397</b>	<b>4,064,486,363</b>	<b>11,908,663,811</b>	<b>13,444,206,110</b>
<b>12. Other expenses for insurance business (17=17.1+17.2)</b>	<b>17</b>		<b>183,864,248,810</b>	<b>206,127,436,077</b>	<b>465,952,347,975</b>	<b>479,486,880,280</b>
In which:						
- Commission	17.1		78,595,329,341	85,830,493,383	255,341,605,601	265,927,337,453
- Other expenses for insurance business	17.2		105,268,919,469	120,296,942,694	210,610,742,374	213,559,542,827
<b>13. Total costs for insurance business (18=15+16+17)</b>	<b>18</b>		<b>246,787,396,079</b>	<b>287,677,874,623</b>	<b>670,843,156,334</b>	<b>719,581,454,369</b>
<b>14. Gross profit from insurance business (19=10-18)</b>	<b>19</b>		<b>38,989,293,512</b>	<b>31,002,455,474</b>	<b>109,457,254,066</b>	<b>104,927,642,472</b>
<b>15. Doanh thu kinh doanh bất động sản đầu tư</b>	<b>20</b>		-	-	-	-
<b>16. Giá vốn bất động sản đầu tư</b>	<b>21</b>		-	-	-	-

<b>17. Lợi nhuận từ hoạt động đầu tư bất động sản(22=20-21)</b>	<b>22</b>		-	-	-	-
<b>18. Revenue from financial activities</b>	<b>23</b>		<b>94,748,596,480</b>	<b>65,377,185,076</b>	<b>216,070,489,407</b>	<b>152,999,469,803</b>
<b>19. Expenses for financial activities</b>	<b>24</b>		<b>22,842,480,969</b>	<b>7,541,217,118</b>	<b>46,233,645,453</b>	<b>15,745,795,575</b>
24)	25		71,906,115,511	57,835,967,958	169,836,843,954	137,253,674,228
<b>21. Management expenses</b>	<b>26</b>		<b>21,375,048,422</b>	<b>24,710,714,796</b>	<b>61,229,105,672</b>	<b>62,884,546,515</b>
<b>22. Net profit from insurance business (30=19+22+25-26)</b>	<b>30</b>		<b>89,520,360,601</b>	<b>64,127,708,636</b>	<b>218,064,992,348</b>	<b>179,296,770,185</b>
23. Income from other activities	31		3,608,933,838	3,691,368,443	10,962,287,736	11,022,685,221
24. Expenses for other activities	32		623,743,691	649,900,891	1,887,623,533	2,082,028,818
<b>25. Profit from other activities (40=31-32)</b>	<b>40</b>		<b>2,985,190,147</b>	<b>3,041,467,552</b>	<b>9,074,664,203</b>	<b>8,940,656,403</b>
<b>26.Share of net profits of associate</b>	<b>40.1</b>		<b>9,910,950,026</b>	<b>7,697,910,379</b>	<b>27,389,490,405</b>	<b>19,720,177,241</b>
<b>27. Loss from Agriculture insurance pilot program</b>	<b>40.2</b>		<b>(110,165,329)</b>	<b>(117,436,695)</b>	<b>(110,165,329)</b>	<b>(117,436,695)</b>
<b>28. Profit from Offshore fishing boat insurance (*)</b>	<b>41</b>		<b>1,944,433,019</b>		<b>3,321,187,640</b>	
<b>29. Accounting profit before tax (50=30+40+40.1+40.2)</b>	<b>50</b>		<b>100,361,902,426</b>	<b>74,749,649,872</b>	<b>251,097,793,987</b>	<b>207,840,167,134</b>
30. Corporate income tax payable	51		17,291,383,081	12,514,312,314	40,819,146,597	34,906,801,867
31. Deferred corporate income tax	52		529,498	5,144,216	(5,309,627)	(197,463,633)
<b>32. Profit after tax (60=50-51-52)</b>	<b>60</b>		<b>83,069,989,847</b>	<b>62,230,193,342</b>	<b>210,283,957,017</b>	<b>173,130,828,900</b>
Shareholders of the Corporation	61		83,240,719,238	62,371,430,587	210,807,757,265	173,457,350,854
Non-controlling interests	62		(170,729,391)	(141,237,245)	(523,800,248)	(326,521,954)
<b>33. Basic earnings per share</b>	<b>70</b>		<b>618</b>	<b>463</b>	<b>1,563</b>	<b>1,284</b>

Ha Noi, 19 October 2017

Preparer

Chief Accountant

Chief Executive Officer

Nguyen Thanh Cong

Luu Thi Viet Hoa

Pham Cong Tu

VIETNAM NATIONAL REINSURANCE CORPORATION

Address: 141 Le Duan, Hoan Kiem, Ha Noi

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## CONSOLIDATED CASHFLOW STATEMENT

(Direct method)

From 01/1/2017 to 30/09/2017

Unit: VND

ITEMS	Code s	Notes		
			Quarter III/2017	Quarter III/2016
<b>I. Cash flows from operating activities</b>				
1. Receipts from inward and outward reinsurance activities	01		426,038,875,177	400,536,073,846
2. Payments for inward and outward reinsurance activities	02		(276,520,096,911)	(288,874,085,103)
3. Payments to employees	03		(28,215,753,114)	(28,365,006,420)
4. Payments for corporate income tax	05		(32,009,424,867)	(30,080,453,830)
5. Receipts from other activities	06		5,996,298,083	2,650,235,110
6. Payments for other activities	07		(32,349,981,593)	(19,236,799,660)
<b>Net cash generated by operating activities</b>	<b>20</b>		<b>62,939,916,775</b>	<b>36,629,963,943</b>
<b>II. Cash flows from investing activities</b>				
1.Acquisition and construction of fixed assets and other long term assets	21		-	(160,367,200)
3.Cash outflow for lending, buying debt instruments of other entities	23		(679,700,000,000)	(1,162,135,568,611)
4.Cash received from lending, selling debt instrument of other entities	24		664,063,047,984	1,136,316,339,543
5.Investment in other entities	25		-	(4,139,800,000)
7. Interest earned, dividends and profits received	27		161,223,590,794	180,206,696,990
<b>Net cash (used in) investing activities</b>	<b>30</b>		<b>145,586,638,778</b>	<b>150,087,300,722</b>
<b>III. Cash flows from financing activities</b>				
6. Dividends and profits paid	36		(157,291,124,400)	(194,232,354,525)
<b>Net cash (used in) financing activities</b>	<b>40</b>		<b>(157,291,124,400)</b>	<b>(194,232,354,525)</b>
<b>Net (decrease) in cash (50 = 20+30+40)</b>	<b>50</b>		<b>51,235,431,153</b>	<b>(7,515,089,860)</b>
<b>Cash and cash equivalents at the beginning of the quarter</b>	<b>60</b>		<b>70,829,558,127</b>	<b>215,489,620,218</b>
Effects of changes in foreign exchange rates	61		1,000,681,707	(668,927,774)
<b>Cash and cash equivalents at the end of the quarter (70 = 50+60+61)</b>	<b>70</b>		<b>123,065,670,987</b>	<b>207,305,602,584</b>

Preparer

Chief Accountant

Ha Noi, 19 October 2017

Chief Executive Officer

Nguyen Thanh Cong

Luu Thi Viet Hoa

Pham Cong Tu